



**GUJARAT GAS**

14<sup>th</sup> April 2026

- Gujarat Gas Limited (GGL) is the authorized supplier of Piped Natural Gas (PNG) in Morbi. Over the years, GGL has established a comprehensive gas distribution network to serve the entire potential demand of the Morbi ceramic cluster.
- As of February 2026 (pre-crisis period), 377 customers were using GGL's PNG. In comparison, around 415 customers relied on propane supplied by Oil Marketing Companies viz. IOCL, BPCL & HPCL, consuming ~5.6 MMSCMD (natural gas equivalent), meaning nearly 70% of the fuel requirement was met through propane.
- In early March 2026, GGL's supply increased compared to February 2026. However, owing to disruptions in the LNG supply chain caused by the US–Iran conflict, GGL adhered to the Government of India's Gazette Notification and restricted supply to 80% of the average consumption over the previous six months.
- The geopolitical crisis led to a rise in raw material costs, restrictions on industrial usage of propane and higher freight costs for ceramic manufacturers, prompting many units to voluntarily shut down operations starting mid-March 2026.
- To mitigate the impact and support industrial continuity, GGL engaged with ceramic manufacturers to facilitate additional supply of natural gas to substitute propane demand, despite a sharp rise in global LNG prices.
- During April 2026, GGL continued supplying gas as per government directives, sourcing additional volumes at prevailing spot market prices from non-Middle East regions.
- As a result of gradual stabilization efforts undertaken jointly by GGL and Morbi Ceramic Association, 142 ceramic units are operational currently.

- For May 2026, LNG prices remain elevated at approximately \$18–20 per MMBtu, yet GGL remains prepared to supply the required volumes to support further resumption of operations in Morbi.
- The GGL team, across GA and Corporate Office levels, has been in continuous engagement with the Morbi Ceramic Association since the onset of the crisis, focusing on ensuring stable gas supply, addressing pricing concerns, enabling phased production restart, and restoring normal offtake levels.
- GGL reaffirms its unwavering commitment to supporting the Morbi ceramic industry amid the current challenging environment. We are confident that through strategic collaboration, collective resilience, and sustained efforts, we will successfully overcome these challenges and drive long-term growth for the industry.